

# CHANGE. CHICAGO HOUSING AUTHORITY

July 11, 2012

## ITEM NO. B1

### **AUTHORIZATION TO MAINTAIN AND EXPAND THE EXISTING LIST OF PRE-QUALIFIED DEVELOPERS FOR THE HOUSING FOR CHICAGOANS EVERYWHERE (“HCE”) PROGRAM TO PROVIDE REPLACEMENT HOUSING UNITS TO THE CHICAGO HOUSING AUTHORITY FOR PUBLIC HOUSING ELIGIBLE FAMILIES**

To the Honorable Board of Commissioners:

#### RECOMMENDATION

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to maintain and expand the existing list of pre-qualified housing developers and development teams (“Developers”) for the Housing For Chicagoans Everywhere (“HCE”) Program to provide replacement housing units to The Chicago Housing Authority (“CHA”) for public housing eligible families. The selected respondents from the HCE Program RFQ will have the opportunity to propose and close development transactions which dedicate public housing units under either the Mixed-Finance Method or the Turnkey Method. The selected respondents will be issued a “Letter of Qualification” and have two years from the date of the Letter of Qualification to submit proposals to the CHA. CHA may acquire units, or enter into long term leases for the units, subject to the approval of the CHA Board of Commissioners, HUD, and any other necessary approvals.

#### FUNDING SOURCE

N/A

#### AWARD/PROCUREMENT INFORMATION

<b>Mixed Finance Developers</b>	<b>Turnkey Method Developer</b>
Brinshore Development	d'Escoto, Inc.
East Lake Management & Development Corporation	Senco Properties, Inc. and Galvan & Associates, LLC (SG Partners)
Flaherty & Collins	
Holsten Real Estate Development Corporation	
Rosenwald Courts, LP (Joint Venture between Landwhite Developers LLC, Jim Bergman, and Lighten-Gale Group)	
St. Edmund's Redevelopment Corporation	
St. Edmund's Redevelopment Corporation & Tria Adelfi LLC (Joint Venture)	
The Community Builders	

**RFQ Number:** 11-00762

**Date Advertised:** 02/15/12, 02/17/12, 02/22-28/12

**Contract Type:** Service

**Date Bids/Qualifications Opened:** 03/30/12

**Contract Period:** Two (2) years

**Addendum Issued:** None

**Pre-Bid/ Qualifications Conference:** 02/29/12

**Number of Vendors solicited:** 44

(7 M/W/DBE Firms)

**Advertisement Publication(s):** Chicago Defender, Chicago Sun-Times & Extra Newspaper, CHA Website

**Number of Pick-ups:** 55

**Number of Qualifications Received:** 10

**M/W/DBE Participation:**

Signed affidavit on file

**Section 3:**

Signed affidavit on file

**EXPLANATION**

CHA requested submissions of qualifications from interested Developers to promote the development or dedication of up to approximately 1,000 public housing units in mixed income communities throughout the City of Chicago.

The HCE program is a component to the CHA's revitalization program. The HCE program provides the opportunity for the successful respondents to participate as either a mixed-finance developer or turnkey developer. A mixed finance developer will propose projects utilizing CHA funding as a portion of the project financing during the development of mixed income projects delivering public housing units. Turnkey developers will propose infill housing projects which deliver completed public housing units in a mixed income setting, paid for upon delivery. These two development methods attract a wide range of small and large developers. The HCE RFQ is released on a semi-annual/periodic basis to enable developers to enroll and participate in the program throughout the year.

Through the HCE Program RFQ, CHA seeks developers who are interested in: 1) delivering no more than thirty-three percent (33%) of the units in each development project for public-housing eligible families: Mixed Finance Method; or 2) delivering public housing units under a turnkey purchase agreement scattered in a variety of neighborhoods for public housing eligible families: Turnkey Method. HCE units under consideration for new family public housing are subject to the *Gautreaux* court order. Any acquisition or long term lease is subject to approval from the Board of Commissioners, HUD, the *Gautreaux* court order and any other site specific approvals.

**PROCUREMENT HISTORY**

The CHA advertised Request for Qualifications No. 11-00762 (RFQ) for Housing For Chicagoans Everywhere ("HCE") Program on February 15, 2012. The RFQ was advertised in the Chicago Sun-Times, Chicago Defender, Extra News, and the CHA's website. Forty-four (44) vendors were directly solicited including seven (7) M/W/DBE firms. A Pre-Qualification Conference was held on February 29, 2012.

Ten (10) qualifications were received, eight (8) for Mixed Finance Method, two (2) for Turnkey Method. Utilizing an 100 point scale evaluation criteria for each development method, the respondents were evaluated based on their qualifications and experience. Respondents were evaluated and scored on: 1) Technical Competence which includes familiarity with HUD regulations, obtain financing and construction management; 2) Professional qualifications and

experience of the individuals on the team to design, develop and operate housing; 3) Historical performance of the respondents on other CHA or other entity contracts; 4) Historic involvement in community development and; 5) The understanding and the quality of the respondent's Section 3 strategy for resident participation in the HCE program.

The qualifications were deemed responsive and were evaluated by the evaluation committee. After the committee completed its analysis of the qualifications the following respondents met the minimum threshold established by DPC to perform the duties of a developer. Mixed Finance Method, Brinshore Development, East Lake Management & Development Corporation, Flaherty & Collins, Holsten Real Estate Development Corporation, Rosenwald Courts, LP (Joint Venture between Landwhite Developers LLC, Jim Bergman, and Lighten-Gale Group) St. Edmund's Redevelopment Corporation, St. Edmund's Redevelopment Corporation & Tria Adelfi LLC (Joint Venture), The Community Builders. D'Escoto Inc., Senco Properties, Inc. and Galvan & Associates, LLC (SG Partners) was selected for the Turnkey Method.

Based on the foregoing, it is in the best interest of CHA to maintain and expand the existing list of prequalified housing developers and development teams for the specific intention of delivering replacement housing units to CHA for eligible public housing families under the Housing for Chicagoans Everywhere Program. CHA will acquire, or enter into a long term lease for the units, subject to subsequent CHA Board of Commissioners, HUD and any other necessary approvals.

**RESOLUTION NO. 2012-CHA-55**

**WHEREAS**, the Board of Commissioners has reviewed the Board Letter dated July 11, 2012 entitled, "Authorization to maintain and expand the existing list of pre-qualified developers and development teams for the Housing For Chicagoans Everywhere ("HCE") Program to provide replacement housing units to the Chicago Housing Authority for public housing eligible families."

**THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY**

**THAT**, the Board of Commissioners authorizes the Chief Executive Officer or his designee to maintain and expand the existing list of pre-qualified developers and development teams for the Housing For Chicagoans Everywhere ("HCE") Program to provide replacement housing units to the Chicago Housing Authority for public housing eligible families.

<b>Mixed Finance Developers</b>	<b>Turnkey Method Developer</b>
Brineshore Development	d'Escoto, Inc.
East Lake Management & Development Corporation	Senco Properties, Inc. and Galvan & Associates, LLC (SG Partners)
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